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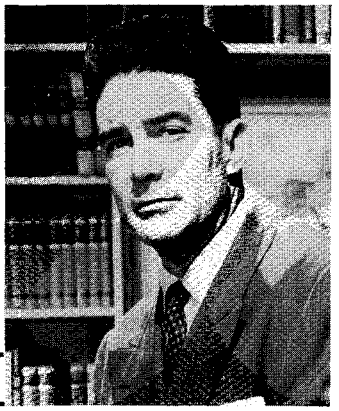

DAN SMOOT

A FATAL STEP

TRADE EXPANSION ACT

(The fourth and concluding part of a Series on the Supreme Court was originally scheduled for this issue of the Report. *But publication of "Supreme Court's Prayer Decision — Part IV" has been postponed until next week, because of the extreme urgency of the Trade Expansion Act matter)*

On June 28, 1962, the House of Representatives (by a roll-call stand of 301 to 130, with 6 Representatives not taking a stand) passed HR 11970, the Trade Expansion Act of 1962.[1]

As of this writing, the Bill is pending in the Senate.

Although the Constitution gives *Congress* the power "To regulate commerce with foreign nations and among the several states," the Trade Expansion Act of 1962 delegates this power to the President, giving the President almost limitless authority to abolish or raise tariffs.

The Bill also authorizes the President to subsidize business firms hurt by the abolition or reduction of tariffs and to provide unemployment compensation for workers thus thrown out of jobs. Indeed, the Bill grants the President broad *retroactive* power to give subsidies to workers and businessmen who have been hurt by any tariff reductions made since 1934; and it sets no limit on amount: It empowers the President to hand out "such sums as may be necessary" in aid to businesses and workers hurt by tariff reductions.[2]

In other words, the Trade Expansion Act of 1962 could establish, immediately, a communist-fascist type of governmental control over major American industries and millions of workers — and could, within a few years, lead to the total communist-fascist state in the United States.

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President Kennedy has repeatedly called the Trade Expansion Act of 1962 the "most important piece of legislation before the country this year."[3]

It is that. The President's trade program, embodied in this Bill already passed by the House and awaiting action in the Senate, could be a fatal step in a three-pronged drive to enmesh this nation, irretrievably, in a world-government arrangement before the people realize what is happening.

American Surrender

Abundant, and specific, documented details on the scheme to destroy the United States as a free and independent republic in order to make this nation a dependent province in a one-world socialist system have been set out in numerous previous issues of this *Report* and in my latest book, *The Invisible Government*.[4]

The program for American surrender was broadly outlined during Roosevelt's later years and was fully developed during the days of Truman, Acheson, and Marshall. The Eisenhower Administration advanced the program enormously by enlisting the support of "Republicans" and "conservative business leaders."

Kennedy, in lobbying for the program of American surrender, uses all of the deceptive slogans (like "free trade" and "forging a free-world shield against communism") which became a trademark of the Eisenhower Administration. But Kennedy has gone further than any other President in using illegal force to get what he wants — with threats to cancel, or promises to enlarge, government spending; use of federal patronage; and so on.[5]

Kennedy intends to complete the program of American surrender; and he may succeed, if the Senate approves the Trade Expansion Act of 1962, as already passed by the House.

A Three-Pronged Drive

The drive toward integrating the United States into an international socialist system is being pushed on three broad fronts: political, military, and economic.

The political thrust generates propaganda to the effect that, in the shrunken world of this century, war threatens to annihilate mankind and that the only way to prohibit war is to subject all nations to an over-riding international authority (world government) which will make all nations behave.

In the military field, the technique is to entangle American defense with world-wide defense, until the United States literally cannot defend herself without the help and cooperation of allies. When we reach the point of dependency on foreign nations, then the American public can be led to accept the idea that we must surrender our armed forces to international control. Washington officialdom is already promoting schemes for such military surrender.

In the economic field, the technique is to make America dependent on foreign sources of supply for critical materials and to make us so subject to foreign political-economic decisions that we will be forced to surrender control over our trade and commerce to an international authority which can regulate the trade of the world.

The economic part of this three-pronged scheme is wrapped up in the Trade Expansion Act of 1962. It is the most dangerous part of the scheme, because it is the most difficult to combat. The real issues have been thoroughly confused by false propaganda and false slogans.

Many prominent Americans (both in and out of Congress), who would be outraged at any suggestion that *they* would support a program to undermine the freedom and independence of the United States, *are* supporting Kennedy's trade program — which *is intended*

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to eliminate the United States as a free and independent constitutional republic.

Why?

"Competing With the Common Market"

Some think that adoption of the President's trade program will enable our industries to compete with those of the European Common Market. The truth is that the trade program will destroy some American industries and make others subject to economic and political decisions by international and foreign authorities.

One main reason why American industries cannot now compete with those of the European Common Market countries is that those foreign industries were built, in large part (directly or indirectly), with American tax money. American industries carry a heavy load of taxes for what amounts to direct subsidies to their European competitors. American industries carry a heavy load of taxes to pay for the military defense of Europe — thus further relieving the tax burden on European industries.

What kind of competitive position will American industries be in if the President's trade program is authorized? Some American industries (as the President himself admits) will be totally destroyed, and others grievously hurt. Their share of the great tax burden will then be shifted to the surviving industries. More than that, additional taxes will be imposed on the surviving industries to pay out subsidies to injured industries, as provided for in the Trade Expansion Act.

Free Trade Argument

Some Americans believe the propaganda that the Trade Expansion Act of 1962 will promote the ideal of world-wide free trade; but in fact, the Act will create world-wide cartels and monopolies controlled by government.

The ideal of world-wide free trade is an absurdity as long as trade in any major nation is controlled by government. How can private individuals in one nation compete in trade with the *government* of another nation?

The Soviets sell strategic goods on world markets at prices far below the cost of production — as a means of creating political power for the Kremlin dictators. In lesser degree, governments of other nations do the same thing: use political power and tax money to encourage strategic exports which governmental officials think should be encouraged.

Such political-economic warfare has been going on for thousands of years. The danger to America — from economic warfare waged against us by foreign political powers — was inherently much greater in 1789 at the beginning of our national life than now.

In the eighteenth century, we were dependent on manufactured goods from Europe. The tools for tilling American fields, much of the furniture in American homes, many articles of American clothing — came from Europe.

Americans won their political independence from Europe on the field of battle. Winning their economic independence from Europe was a separate struggle, more prolonged and more complicated.

Early American statesmen knew that the United States would be economically independent of the old world and invulnerable to the trade wars waged by foreign governments, if the United States could become economically self-sufficient — capable of producing within their borders all of the goods necessary for prosperity and progress in a civilized society. To encourage the development of such economic self-sufficiency, the early statesmen of America treated foreign commerce as secondary to domestic commerce.

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At the beginning of our national life, Congress set up a tariff system to protect the American market from "dumping" and other political-economic attacks by foreign interests. Within America, businesses and individuals (left free of crushing taxation, of bureaucratic harassment and controls, and of governmental subsidies) developed a vigorously competitive free-market system.

Thus the American market — free and competitive within, but protected against political-economic attacks from foreign governments — grew into the greatest in the history of the world. Thriving on this vast, free, competitive market, American industry developed the techniques of mass production and mechanization which enabled it to pay the highest wages in the world and still compete in normal world markets with the industries of other nations. Thus, our protective tariff system did not shut off America's world trade: it made our dominance in world trade possible.

With such a system, America was secure and independent. Foreign trade was helpful to our economy and contributed to our prosperity, but we were never dependent on it. If wars — political, economic, or military — shut off our trade with any portion of the outside world we could still produce everything we needed and maintain a high level of national prosperity, because it was our great domestic market that was the mainstay of our economic activity.

Abandonment of Tradition and Principle

In the twentieth century, Americans started scrapping the marvelous system which had made their nation the most powerful in history. As socialism (under the labels of *communism, fascism* and *nazism*) captured the minds of Europeans, the free people of America also acquired a worshipful attitude toward political power: If we would give government power to control and manipulate and subsidize our economy and then give government power to make economic bargains with foreign governments, government could eliminate all the stresses and strains and ups and downs which are characteristic of a free economy regulated only by the law of supply-and-demand and by the law of profit-and-loss!

Following World War II, propagandists hammered the theme of the "interdependence" of all nations: the strength of America rests on her industrial capacity; but our industrial production is dependent on strategic goods which we must obtain from distant lands; hence, we must protect those distant sources of supply by subsidizing the nations and peoples there to keep them from turning to communism!

The truth is that the United States, within her own continental limits, could produce a sufficient quantity of all the critical and strategic goods she needs. We do not now produce all of them, because our government has *deliberately destroyed small vital industries,* and used our tax money to finance development of those industries in foreign lands so that *we will be, as governmental propagandists claim, dependent on foreign sources of supply for materials we cannot do without.*

The Trade Expansion Act of 1962 would initiate the most radical departure yet made, from constitutional principles and from the traditional system which enabled this nation to grow mighty, in economic strength and in freedom.

The Opening Gun

President Kennedy first publicly outlined his new Trade Expansion Program on December 6, 1961, when he spoke to the National Association of Manufacturers, in New York.

The President gave the business leaders a dismal picture, saying:

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"During the previous three years. . . . we suffered . . . a net loss of $5,000,000,000 [5 billion] in our gold reserve. . . .

"We cannot solve this problem alone. Our allies have a vital interest in its solution because. . . . if it were not for our national security commitments abroad . . . the United States would have gold pouring in rather than pouring out. It is this commitment, which is extremely large and constant, which gives us this problem. . . .

"We lose $3,000,000,000 [3 billion] a year because of our defense expenditures. . . . abroad. . . .

"Unless our balance of trade and our surplus is sufficient . . . to pay for this three billions of dollars, then we have . . . to start pulling back."

The President rejected the notion of pulling back, and outlined his "Trade Expansion" program as a solution.

Next day (December 7, 1961), the President spoke on the same subject to a convention of the AFL-CIO at Bal Harbour, Florida.

There are many remarkable things about these two speeches:

— The President admitted that our spending for foreign aid and for defense of foreign lands is bankrupting the United States, but he proposed to continue it.

— He admitted that American industry must be competitive in price with foreign industry if it expects to sell abroad — and he urged industry to be competitive; but he rejected the thought of discontinuing the programs of foreign aid and foreign defense which have saddled American industry with such high taxes (much of which is used to finance foreign competitors) that American industry cannot possibly produce as cheaply as foreign industry can.

— The President admitted that American tax money and American tax "incentives" have financed and developed the European competitors who now are capturing our world markets; and he proposed to use more tax money and tax "incentives" to finance and develop other competitors in Asia, Africa, and South America.

— While claiming that a general lowering of American tariffs will help every segment of our economy, the President admitted that some segments will be hurt; and he proposed to ease the pain with handouts from the federal treasury. While urging industry to cut costs, the President proposed to impose additional tax costs for subsidies to businesses which will be ruined and workers left unemployed by the new "trade" program.

— In asking for absolute power to lower or abolish American tariffs, the President said he is not departing from traditional American policy; but the Constitution of the United States (on which all of our policy is supposed to rest) places in the Congress, and not in the Presidency, the authority to regulate domestic and foreign commerce.[6]

The Grand Design

President Kennedy says he is not proposing that the United States, in any way, give up national independence; yet, everyone who knows anything about the subject knows that the President is driving hard toward the objective he denies.

Note his Independence Day speech on July 4, 1962, in which he virtually performed public burial rites for the Declaration of Independence, saying that we must move on from the ideal of *national independence* to interdependence upon other nations.

Note also, *The Grand Design.*

The Grand Design, a book by Joseph Kraft, published in 1962, reveals — if one can translate the dialectics — a "grand design" to use the Trade Expansion Act as a means of placing the economy of the United States under the tight control of Washington so that this nation can be integrated into an "Atlantic Partnership" with European nations.

Once this "Atlantic Partnership" is effected, the people and the Congress — who have resisted legislation intended to socialize the economy of the United States — will be helpless to resist any more. Once we are tightly involved in "Atlantic Partnership" through

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the Trade Expansion Program, our foreign commitments and responsibilities will result in foreign control over our economic and political decisions. Domestic issues (like the federal financing and control of our school systems, agricultural programs, civil rights legislation, urban renewal, labor laws, and so on) will become an international concern affecting our "Atlantic Partnership" obligations.

When every program of the federal government thus becomes an essential part of our *foreign* policy, resistance will collapse, because (according to Joseph Kraft) the people and Congress have proven that they cannot — or will not — effectively resist "foreign policy" decisions made by the President and the State Department.

Kraft discusses the "negative majority" and the "positive majority" and the "incongruous harmony" which have existed since the mid 1930's.

The "negative majority" is the dominant majority of the American people and of the Congress who *resist* legislation intended to convert the United States into a communist-fascist state (Mr. Kraft calls it "social legislation"). The "positive majority" is the majority who *support* the most extreme communist-fascist types of programs in foreign policy matters (Mr. Kraft calls them programs for "expansion of commitments" in foreign affairs).

The "incongruous harmony" is the odd, peaceful co-existence of these two "majorities" for a quarter of a century.

Here is how Joseph Kraft puts it:

"Deadlocked on most domestic issues, but ready to support bold venture in foreign affairs, American politics has been fixed in incongruity for nearly a quarter-century.

"Domestic affairs have been characterized by an absence of sweeping social legislation. Since the Wages and Hours law of 1938, there has been repeated picking over the corpus of the New Deal, but no major, new legislative departure — not in urban affairs, not in education, not in labor, not in the incidence of taxation, not even in civil rights. . . .

"While the division has been narrow, events record a clear victory for forces opposed to domestic change. There has been, in effect, a negative majority.

"Foreign affairs have been characterized by expansion of commitments at a dizzying pace. American troops have gone, not only to Europe, but to the distant corners of Asia. . . . Economic aid, begun on an emergency basis to Greece and Turkey, was extended for four years to Western Europe, and then shifted to the under-developed countries as a permanent fixture. Treaty commitments first crossed the Atlantic, next spanned the Pacific, and then completed the world circuit in the Middle East.

"Every step of the way, the widening assumption of foreign responsibility found overwhelming support in the Congress. Both parties, in their Presidential candidates, have come out decisively for engagement and against isolation. In foreign affairs there has been, in effect, a positive majority.

"For many years the two majorities coexisted without apparent tension. . . . But some time in the second term of the Eisenhower regime, the incongruous harmony was shattered. Almost overnight . . . domestic stalemate came into collision with growing foreign commitments.

"By the election of 1960, omens of troubles were everywhere. . . . The balance-of-payments crisis had cast a long shadow over the competitive potency of the domestic economy. Anti-American sentiments — most vigorously expressed in precisely the places that had most participated in this country's largesse and cultural influence — suggested something wrong with the quality of American life."

The Anti-American sentiment, in countries where we have given the most aid, proves that our foreign aid programs buy hatred for America, because the concept of aid from one government to another (a communist concept advanced by Joseph Stalin in the

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1920's, as a means of leveling and socializing the economies of all nations) is morally, economically, and constitutionally wrong. But, to Mr. Kraft, the anti-American sentiment means only that there is "something wrong with the quality of American life."

Mr. Kraft explains that there were no fundamental differences between Nixon and Kennedy in the 1960 campaign, but that Kennedy managed to make "himself the voice and embodiment of determination to match domestic performance to the requirements of world leadership."

Mr. Kraft sadly records, however, that after Kennedy's election and inauguration, the "negative majority was back in the domestic saddle":

"Foreign aid and the defence budget went through in relatively good shape. But the one piece of domestic legislation apt to work important long-term change — the education bill — was roundly beaten. . . . American politics had come to an historic turning point — and missed the turn."

And then the key paragraph in Mr. Kraft's book which reveals the "grand design":

"Through its entering wedge, the Trade Expansion Act, Atlantic Partnership offers a second chance. The Act makes explicit once again the underlying tension between domestic stagnation and overseas commitments. Against the negative majority in domestic affairs, it brings to bear the positive majority in foreign affairs."

Joseph Kraft writes like a college sophomore — avoiding clear and forthright expression, parading his learning with unusual words and obscure references, yet lapsing into tired cliches and bureaucratic slang. He exudes the intellectual arrogance of bright immaturity.

But his book is an authoritative document. Kraft was a ghost writer for Kennedy during the 1960 campaign. He worked closely with administration officials in preparing *The Grand Design*. And the Invisible Government — officials in the inner circle of the Council on Foreign Relations — helped with his research and ideas.

The Grand Design is the *Mein Kampf* (or — to use a communist, rather than a nazi, allusion — the *Manifesto*) of the Invisible Government.

The "grand design" is to use the Trade Expansion Program as the "entering wedge" to convert America into a total socialist state and make it a unit in a one-world socialist system; and President Kennedy is the chosen tool to effectuate the scheme.

The Senate can halt the scheme, by defeating the Trade Expansion Act of 1962.

What To Do

If the Senate approves the Trade Expansion Act, Americans could, before long, be facing a grim choice. They could revolt against international tyranny foisted on them by their own government; or, they could give up and meekly abandon the freedom and independence which their forefathers won by valorous devotion to high ideals.

An expressed public opinion did stop the repeal of the Connally Reservation in 1960. It did defeat Kennedy's revolutionary aid-to-education program in 1961. It did stop the Kennedy farm program, and his socialized medicine program, and his Urban Affairs scheme in 1962.

An expressed public opinion could persuade the Senate to defeat the Trade Expansion Act of 1962.

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How To Do It

I hope that every member of the United States Senate will be swamped with letters and telegrams urging defeat of The Trade Expansion Act of 1962 (HR 11970, which has already been passed by the House).

If you do not know the names of the two United States Senators from your state, you can find out by calling a newspaper office or library. You can write the Senators at the Senate Office Building, Washington, D. C.

Do not make your letter so long that a busy man cannot take time to read it. If you think you cannot compose an effective brief letter explaining why you oppose the Trade Expansion Act, send your Senators a copy of this *Report* (or of some comparable material that can be read quickly) with a brief note from you saying that you hope the Senate will defeat the Bill and that the material you are sending gives some of your reasons.

Get friends, acquaintances, business associates, and organizations to help in this campaign — quickly, before the Senate votes on HR 11970.

FOOTNOTES

(1) Roll-Call published in this *Report,* July 9, 1962

(2) *Congressional Quarterly Weekly Report,* June 1, 1962, p. 927; June 29, 1962, p. 1083; July 20, 1962, p. 1229

(3) *Congressional Quarterly Weekly Report,* June 1, 1962, p. 927

(4) *The Invisible Government* — 250 pages with index — can be ordered directly from *The Dan Smoot Report,* Inc., P.O. Box 9538, Dallas 14, Texas, $5.00 for clothback edition, $3.00 for paperback, postage prepaid.

For pertinent previous issues of this *Report* giving authoritative details on the programs to surrender American independence, see, particularly:

"Foreign Policy Review — Part I," July 4, 1960; "Foreign Policy Review — Part II," July 11, 1960; "Foreign Policy Review — Part III," July 18, 1960; "World Court and World Law — Part I," July 25, 1960; "World Court and World Law — Part II," August 1, 1960; "World Court and World Law — Part III," August 8, 1960; "Organization For Economic Cooperation and Development," February 20, 1961; "World Government Part I," February 27, 1961; "World Government Part II," March 6, 1961; "Machinery For World Government," October 2, 1961; "International Control of Education," October 9, 1961; "Strategic Surrender," December 11, 1961; "Economic Surrender — Part I," January 1, 1962; "Economic Surrender — Part II," January 8, 1962; "Economic Surrender — Part III," January 15, 1962; "Political Surrender," January 22, 1962; "Defense or Surrender?" March 26, 1962.

(5) For other news accounts of Kennedy's tactics, see: an article by Arthur Krock in the February 2, 1961, issue of *The New York Times;* page 16 of *Time,* February 3, 1961; Page 14 of *Time,* February 10, 1961; Page 11 of *Time,* February 17, 1961; an article by Robert E. Baskin in *The Dallas Morning News* of June 12, 1962; and an article entitled "Debt Bill Brings 'Blackmail' Cry," on page 16 of *The New York Times,* June 14, 1962.

(6) *The Dan Smoot Report,* Vol. 8, No. 1, dated January 1, 1962

WHO IS DAN SMOOT?

Dan Smoot was born in Missouri. Reared in Texas, he attended SMU in Dallas, taking BA and MA degrees from that university in 1938 and 1940.

In 1941, he joined the faculty at Harvard as a Teaching Fellow in English, doing graduate work for the degree of Doctor of Philosophy in the field of American Civilization.

In 1942, he took leave of absence from Harvard in order to join the FBI. At the close of the war, he stayed in the FBI, rather than return to Harvard.

He worked as an FBI Agent in all parts of the nation, handling all kinds of assignments. But for three and a half years, he worked exclusively on communist investigations in the industrial midwest. For two years following that, he was on FBI headquarters staff in Washington, as an Administrative Assistant to J. Edgar Hoover.

After nine and a half years in the FBI, Smoot resigned to help start the Facts Forum movement in Dallas. As the radio and television commentator for Facts Forum, Smoot, for almost four years spoke to a national audience giving both sides of great controversial issues.

In July, 1955, he resigned and started his own independent program, in order to give only one side — the side that uses fundamental American principles as a yardstick for measuring all important issues.

If you believe that Dan Smoot is providing effective tools for those who want to think and talk and write on the side of freedom, you can help immensely by subscribing, and encouraging others to subscribe, to *The Dan Smoot Report.*

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